

July 31, 2024

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| Location: | Citywide |
| Assessor's Parcel Number(s): | N/A |
| Proposal: | A study session for the Zoning Update Committee to review and monitor the progress the City made in 2023 to implement and update Oakland's 2023-2031 Housing Element, and meet the City's share of the Regional Housing Needs Allocation (RHNA). |
| Applicant: | City of Oakland, Bureau of Planning |
| Contact Person/ Phone Number: | Timothy Green: (510) 238-6436 |
| Owner: | N/A |
| Case File Number: | N/A |
| Planning Permits Required: | N/A |
| General Plan: | Citywide |
| Zoning: | Citywide |
| Proposed Environmental Determination: | Not a project under the California Environmental Quality Act |
| Historic Status: | N/A |
| City Council District: | All Council districts |
| Finality of Decision: | Provide feedback that will be incorporated into 2024 Annual Progress Reports. |
| For Further Information: | Contact Case Planner Timothy Green at (510) 238-6436 or by email at tgreen@oaklandca.gov |

CITY OF OAKLAND ZONING UPDATE COMMITTEE

SUMMARY

Pursuant to Section 65400 and 65700 of the California Government Code, the City of Oakland (City) has prepared an Annual Progress Reports (APR) for calendar year 2023 on implementation of the housing-related programs and policies contained in the 2023-2031 Oakland General Plan Housing Element. This is the first year of reporting on the 2023-2031 Housing Element, which was adopted by the City Council via [Resolution No. 89565 C.M.S.](#) on January 31, 2023. The Oakland Housing Element was found by the California Department of Housing and Community Development (State HCD) to be in [full compliance](#) with the State Housing Element Law (Article 10.6 of the Gov. Code) on February 17, 2023.

This informational report responds to discussion on the APR at the Planning Commission meeting on May 15, 2024.

The complete 2023 Oakland General Plan and Housing Element APRs can be found on the City’s webpage: <https://www.oaklandca.gov/documents/housing-element-annual-progress-reports>.

(Note: The 2023 Housing Element APR contains very large tables that are not suitable for printing and are best viewed electronically. The pertinent content of these tables is stated in this report and attachments.)

BACKGROUND

California Government Code Section 65400 and 65700 require that the City prepare and submit an annual report – known as the Housing Element APR – to the California Office of Planning and Research (State OPR) and to the California Department of Housing and Community Development (State HCD) by April 1 of each year, using forms and definitions adopted by State HCD. The Housing Element Annual Progress Report must describe progress made by the City to implement policies adopted in the Housing Element and to meet the City’s share of Regional Housing Needs Allocation (RHNA).

Oakland’s 2023 Housing Element APR, submitted to the State OPR and State HCD on March 30, 2024, reflects the first year of reporting on progress to meet the production targets and policies within the 2023-2031 Oakland Housing Element. Notably, the Housing Element APR quantifies the number of net new housing units deemed complete, approved, permitted, or completed—by household affordability level—during the reporting year (January 1, 2023, to December 31, 2023).

The full informational report (**Attachment A**) was presented to Planning Commission on May 15, 2024, and to City Council on July 30, 2024.

In accordance with Action 5.2.11 of the adopted 2023-2031 Housing Element, staff is bringing this follow-up informational report for discussion before the Zoning Update Committee.

PROJECT DESCRIPTION

Regional Housing Needs Allocation (RHNA) Progress

Every jurisdiction in California is required to ensure that there is enough zoned capacity within its boundaries to allow for residential development to meet that city's RHNA. The RHNA is determined through a state-mandated process carried out by regional planning entities – in the case of Oakland's RHNA, the corresponding entity is the Association of Bay Area Governments (ABAG).

Oakland is among the five Bay Area cities with the largest 6th Cycle¹ RHNA. As shown in **Figure 1**, The allocations for Oakland and its peer cities are San Francisco (82,069), San José (62,200), Oakland (26,251), Fremont (12,897), and Sunnyvale (11,966). Through 2023, Oakland has permitted 1,874 of its required units. This is roughly average compared to its peer cities, which permitted 5,128 units in San Francisco; 3,679 units in San José; 738 units in Fremont; and 1,442 units in Sunnyvale.

Through 2023, Oakland has permitted 7% of the required units for the 6th Cycle. While the proportion of RHNA met in 2023 was low, it was on par with Oakland's peer cities. Sunnyvale has permitted 12% of its RHNA, however San Francisco, San José, and Fremont each permitted only 6%.

Notably, at 7% each, Oakland has permitted a larger share of its Very Low-Income (VLI) and Low-Income (LI) RHNA than any of its peer cities, as shown in **Figure 2**. Meanwhile, Oakland has permitted an average proportion of Moderate-Income (MI) units (5%) and a below-average proportion of market rate units (8%).

¹ For jurisdictions in ABAG, State HCD's 6th Housing Element Cycle runs from 2023 to 2031.

Figure 1 6th Cycle Regional Housing Needs Allocation Progress in Major Bay Area Cities

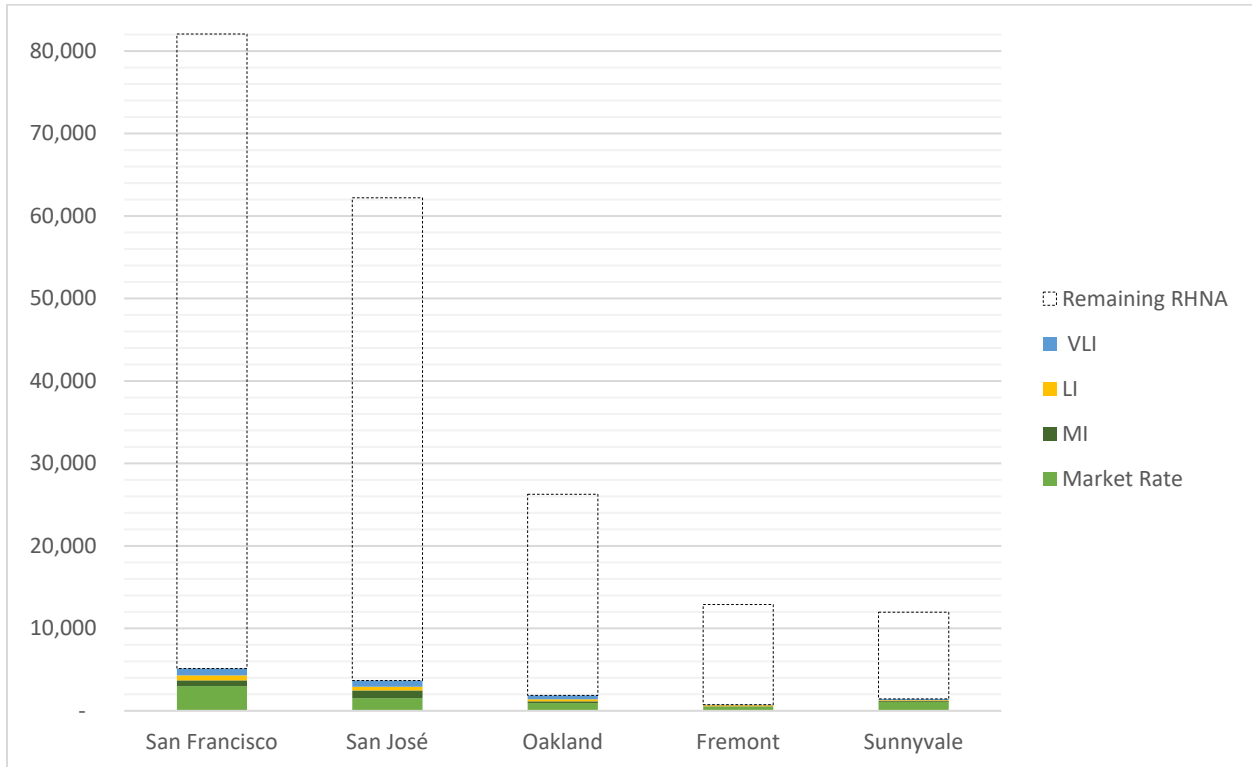
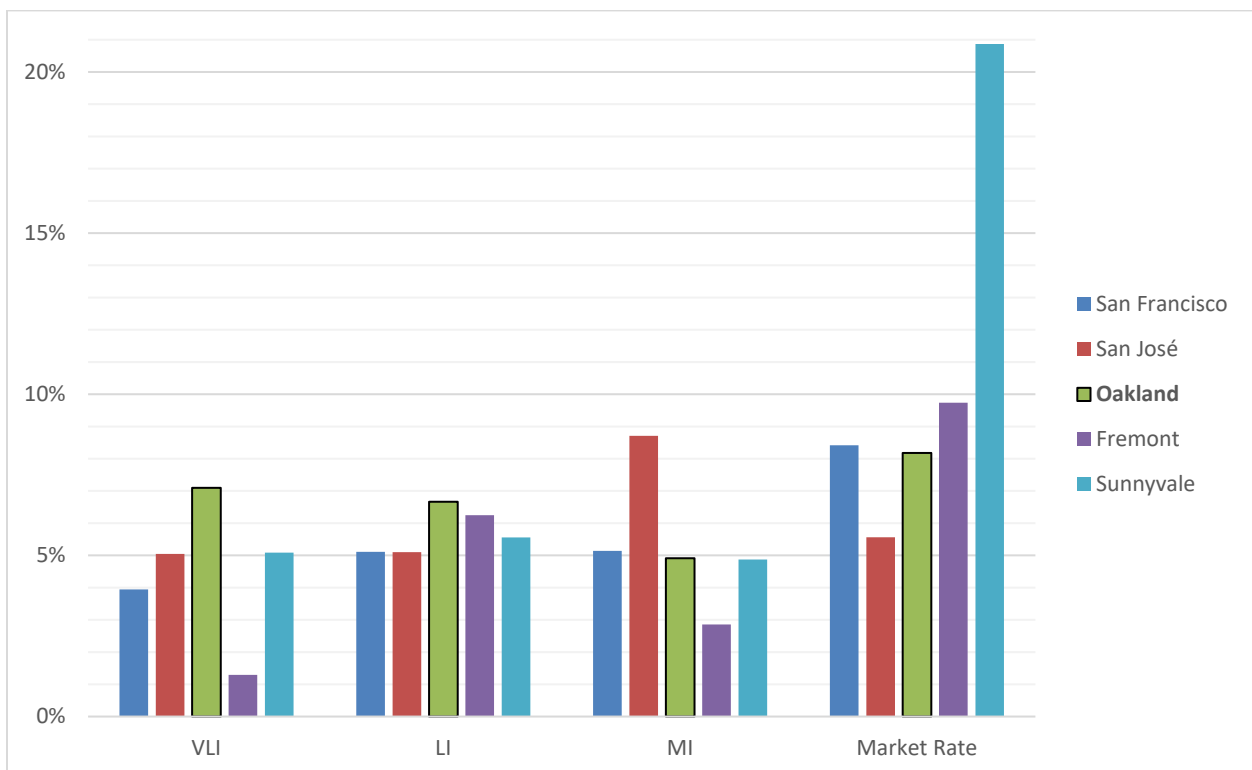


Figure 2 6th Cycle Regional Housing Needs Allocation Progress by Affordability in Major Bay Area Cities

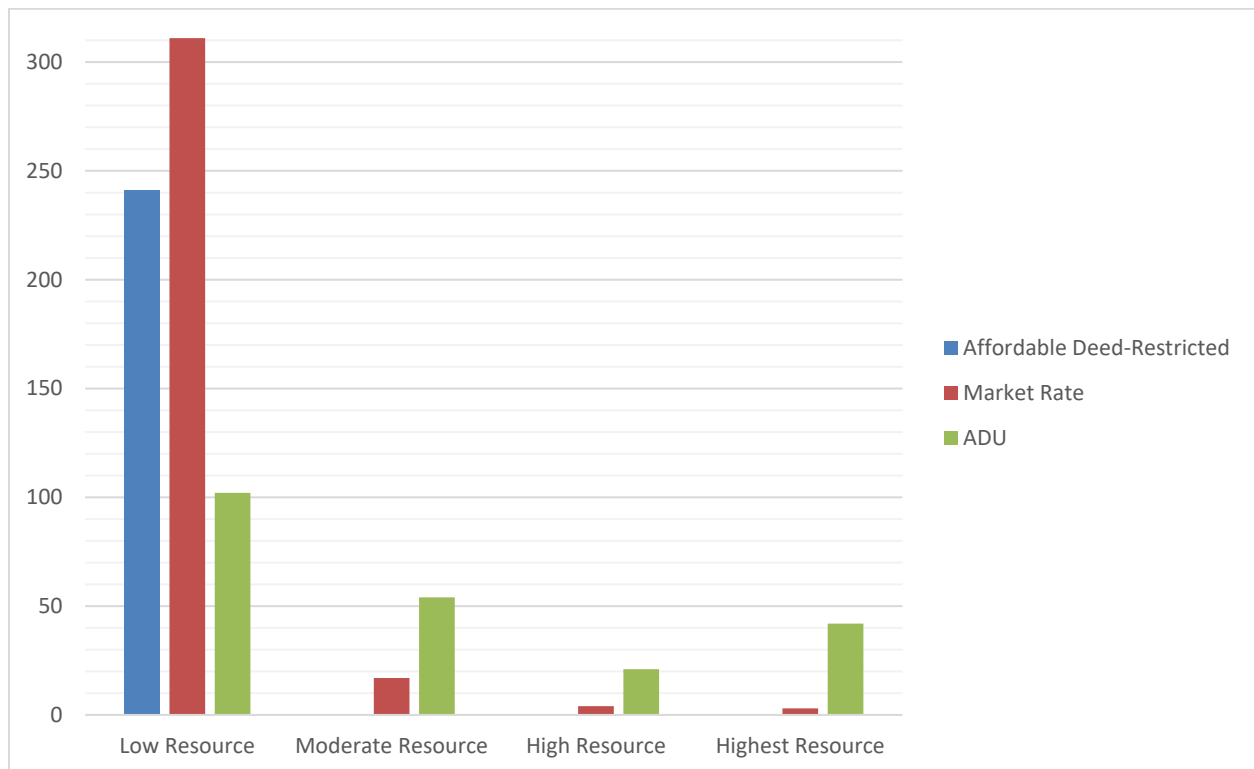


Geographical Analysis

The State and the California Fair Housing Task Force use a series of opportunity maps developed by the Tax Credit Allocation Committee (TCAC) and the California Department of Housing and Community Development (HCD) to define areas of low to high opportunity using a set methodology.² Most of Oakland’s zoned residential capacity at all income levels is in the low resource areas, largely because over 60 percent of land—including much of Downtown—is considered lower resource per TCAC’s Opportunity Scores. The high and highest resource neighborhoods carry a relatively small portion of zoned residential capacity—influenced by environmental constraints present in the Oakland Hills. Notably, about 70 percent of Oakland’s highest resource areas are within a Very High Fire Hazard Severity Zone (VHFHSZ), as are about 26 percent of the city’s high resource areas.

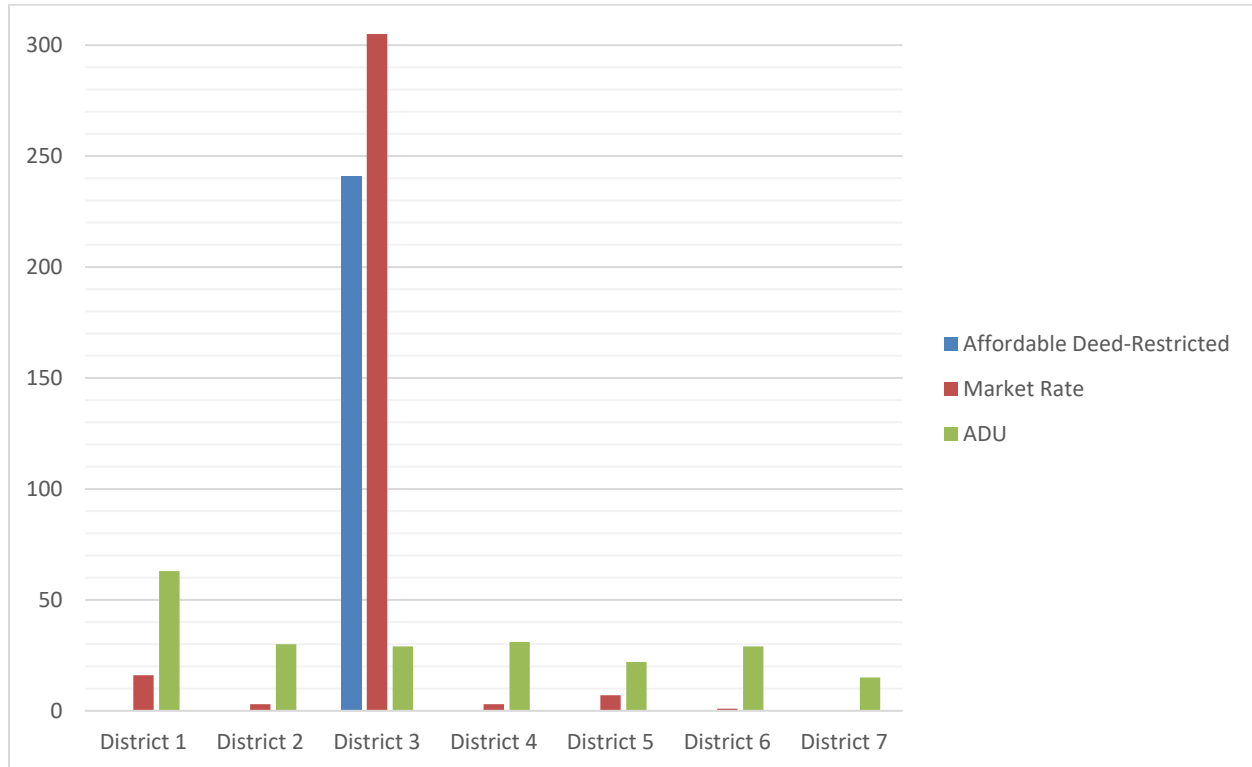
As shown in **Figure 3**, 82% of units permitted in 2023 are in Low Resource areas, including all affordable deed-restricted units. Of the remaining units permitted in 2023, 9% are in Moderate Resource areas, 3% are in High Resource areas, and 6% are in Highest Resource areas. Most residential units permitted in 2023 in Moderate, High, and Highest resource areas are Accessory Dwelling Units (ADUs).

Figure 3 Units Permitted by TCAC Opportunity Area, 2023



As shown in **Figure 4**, 72% of units permitted in 2023 are in District 3—West Oakland and most of Downtown—including all affordable deed-restricted units. Permitted units in each other City Council District ranged from 10% of total units in District 1 to 2% of units in District 7. Most residential development permitted in 2023 in all City Council Districts other than District 3 are Accessory Dwelling Units (ADUs).

Figure 4 Units Permitted by City Council District



Housing Element Implementation Dashboard

In conjunction with publication of the 2023 APR, the City has launched a Housing Element Implementation Dashboard on its website. This dashboard provides a visual summary of Oakland's progress towards meeting its Regional Housing Needs Allocation (RHNA) and highlights notable achievements in implementing the Housing Action Plan. The dashboard can be accessed at: <https://www.oaklandca.gov/entries/topics/2146439-2023-housing-element-annual-report>.

Permanent Homeless Housing

The Bay Area Housing Finance Authority (BAHFA) has placed a regional bond measure on the November 2024 ballot to build more affordable homes and help keep existing homes affordable. The \$20 billion dollar bond could create 72,000 new affordable homes across the Bay Area—more than double what would be possible without a bond. If the bond is approved by voters, Oakland expects to receive a \$727.4 billion and currently plans to allocate 32% of those funds towards permanent homeless units.

Along with additional funds, such as Measure U funding, the City projects that the bond will help finance 1,614 permanent homeless housing units (serving households earning between zero and 30 percent of Area Median Income) at a total cost of \$383.6 million over the course of the 6th Cycle (2023-2031).

Much of funding for permanent homeless units will support the Rapid Response Homeless Housing (R2H2) Program³. The R2H2 Program accepts proposals similar in nature to Homekey serving individuals and families who are homeless. These proposals undergo a threshold review process to ensure that there is site control, sponsor, and/or partner experience to execute on a development, and that there is a plan for funding the development of the property, the ongoing operation of the building, and the delivery of supportive services to the residents.

PROPERTY DESCRIPTION

N/A

GENERAL PLAN ANALYSIS

N/A

ZONING ANALYSIS

N/A

ENVIRONMENTAL DETERMINATION

Consideration of the 2023 General Plan and Housing Element APR does not constitute a project under the California Environmental Quality Act (CEQA).

KEY ISSUES AND IMPACTS

N/A

RECOMMENDATION:

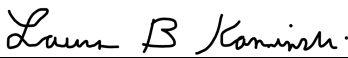
Staff Recommend That The Zoning Update Committee Receive And Provide Feedback On An Informational Report On The City Of Oakland’s Housing Element Annual Progress Report For Calendar Year 2023.

Prepared by:



Timothy Green
Planner II

Approved for forwarding to the Zoning Update Committee:



Laura Kaminski, Strategic Planning Manager
Bureau of Planning

ATTACHMENTS:

- A. Informational report to the Planning Commission on May 15, 2024

³ <https://www.oaklandca.gov/topics/city-homekey>